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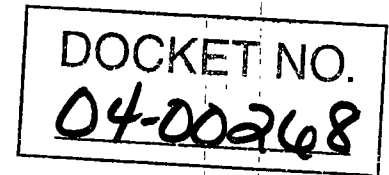
MEMPHIS DOWNTOWN
One Commerce Square, Suite 2000
Memphis, Tennessee 38103
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Charles B. Welch, Jr.
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1100 Ridgeway Loop Road, Suite 400
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FBI ROOM

Reply to
Nashville Office

August 25, 2004



Chairman Pat Miller
Attn: Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA HAND DELIVERY

RE: IRM Utility, Inc. Petition to amend Certificate of Convenience and Necessity

Dear Chairman Miller:

Please find enclosed an original and 14 copies of the above referenced petition. IRM Utility, Inc. desires to expand its services area to include a portion of Blount County, Tennessee known as LashBrooke subdivision. I have enclosed our firm check in the amount of \$25.00 to cover the filing fee. Please date and stamp a copy for our records.

Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

Charles B. Welch, Jr.

CBW/ale

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF INTEGRATED RESOURCE)
MANAGEMENT UTILITY, INC.)
TO AMEND ITS CERTIFICATE OF)
CONVENIENCE AND NECESSITY)**

Docket No. _____

**PETITION OF IRM UTILITY, INC. TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY**

IRM Utility, Inc. ("IRM"), by and through its counsel, petitions the Tennessee Regulatory Authority to amend its Certificate of Convenience and Necessity to expand its service area to include a portion of Blount County known as LashBrooke subdivision. In support of its petition, IRM submits the following

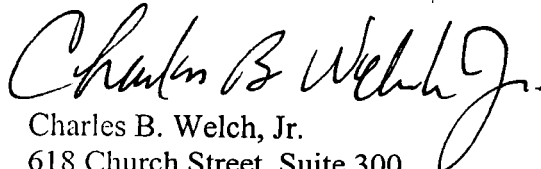
I. The subject area is platted and recorded in the Blount County Court House in Maryville, Tennessee.

II. The South Blount Utility District and Blount County have confirmed no intent to provide wastewater treatment services to the subject area.

III. Exhibits:

- A** – Proposed service area – parcels 1.54 and 1.87
- B** – Residential rates summary and estimates
- C** – Letters from Blount County Government and the city of Alcoa
- D** – Sewer Services Agreement

Respectfully submitted,
FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Charles B. Welch, Jr.
618 Church Street, Suite 300
Nashville, TN 37219
(615) 726-1200 Telephone
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CBW/ale

LASH BROOKE PAGE 1

BLOUNT CO.
MAP 16 PAR 1.54, 1.87

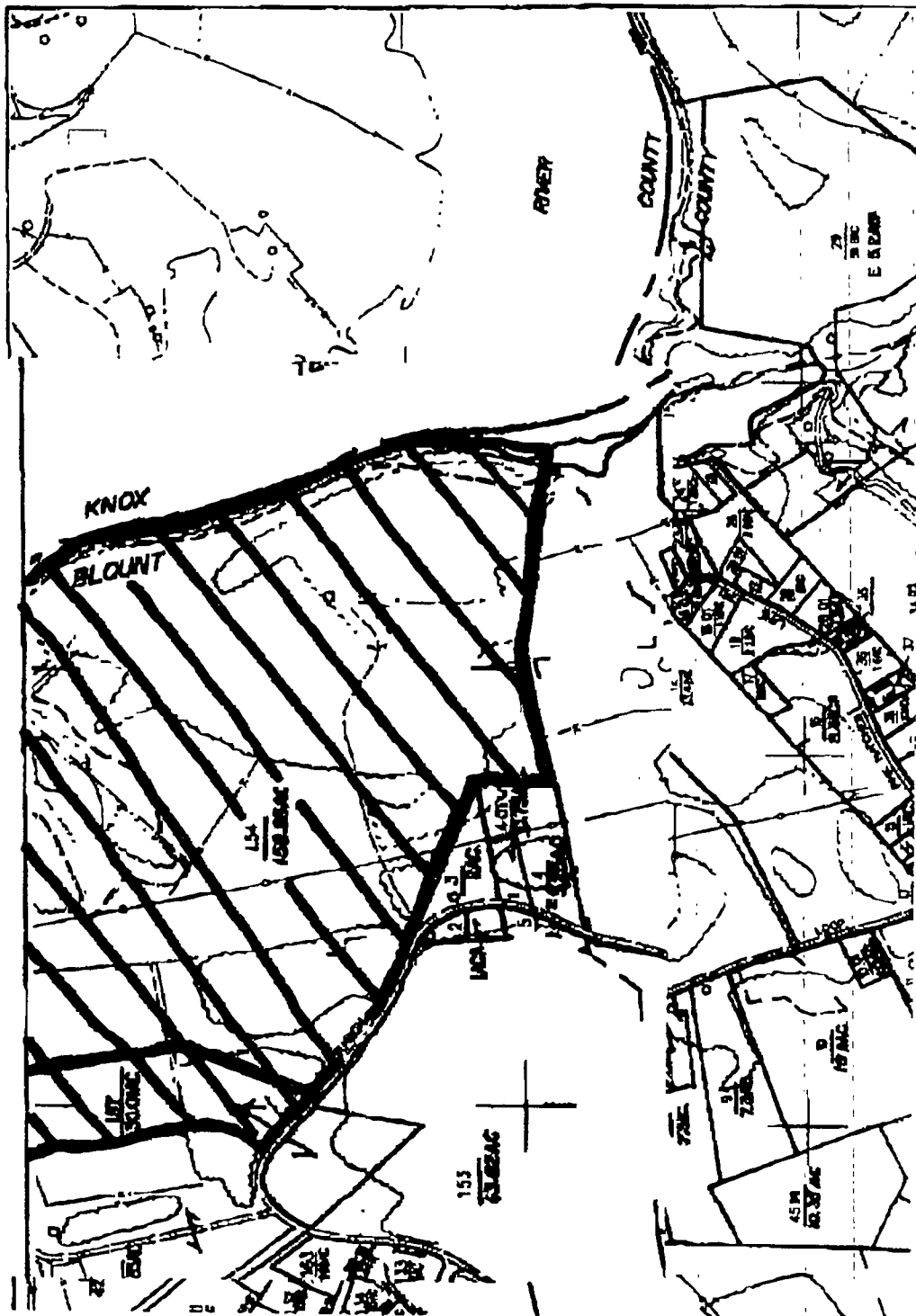


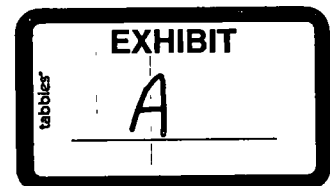
EXHIBIT
A



REVISIONS		
1		
2		
3		
4		
5		

BLOUNT CO., TENN.		MAP NO. 7
SCALE 1" = 400'	DISTRICT 10	
DATE OF PLATING MAY, 1900		
DATE RECORDED FEB, 1907		

MAP 16 PAR 1.87, 1.54
BLOUNT CO.
LASH BROOKE
PAGE 3



IRM Utility, Inc.
Sewer Service Billing Summary
Residential Sewer Rates

System	Monthly Charge
Emory Pointe, Roane County – 04-00101- Sheet 2	\$35.11
Wild Pear Shores, Jefferson - 04-00153 – Sheet 3	\$35.11
<i>Proposed</i> Compass Pointe, Blount	\$35.11
<i>Proposed</i> LashBrooke, Blount	\$35.11
<i>Proposed</i> Kennesaw Park, Knox	\$35.11

EXHIBIT

B

IRM Utility, Inc.
Sewer Service Billing Structure
For
LashBrooke
Blount County
Docket # _____

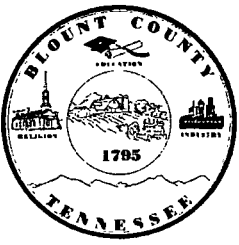
Residential Sewer Rate

	Monthly Charge	Amount to be Escrowed
Collection System Maintenance and Operation-Tariff Items 1-4	\$8.95	\$6 35
Treatment System Cost – For Recirculating Filtration Systems - Tariff Items 5-7	\$6.23	\$2 90
Utility costs – Treatment & Pump Station – Tariff Items 11 & 13	\$1 30	-
Disposal System Cost – Subsurface Disposal – Tariff Items 15-17	\$1.53	\$0.88
Sampling and Testing Costs – Required By TDEC – Tariff Item 18	\$7.00	-
Billing and Collection Costs – Tariff Item 20	\$1.50	-
Miscellaneous Costs – Tariff Item 21	\$0.40	-
TDEC Annual Fee – Tariff Item 22	\$0 52	-
Bonding Costs	-	-
Franchise – Excise Taxes – Utility Company – Tariff Items 25 & 26	\$0.82	-
Public Utility Ad Valorum Tax – Tariff Item 27	\$0.95	-
Federal Tax – Tariff Item 28	\$1.11	-
Local Management Fee – Tariff Item 29	\$2.00	-
Corporate Management Fee – Tariff Item 30	\$2.80	-
Total	\$35.11	\$10.13

Fees: Nonpayment – 5%, Disconnection – \$25 00, Reconnection -\$15.00, Retuned Check – \$20 00,
Access - \$84.00/year (See Rules and Regulations for Explanation)

EXHIBIT

B



Beverley D. Woodruff
Blount County Executive
341 Court Street, Maryville, TN 37804-5906



August 5, 2004

Mr. Scott Williams
IRM Utilities, Inc.
6918 Yellow Oak Lane
Knoxville, TN 37931

Dear Mr Williams:

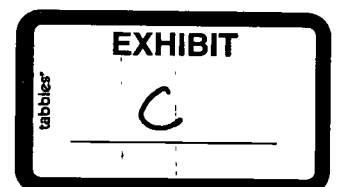
In response to your request, Blount County has no plans to provide sewer, within the next 12 months to the property in Lashbrooke Sub-division on Rankin Ferry Loop Road in Louisville, Tax Map 16, Parcel 1.54.

Sincerely,

Beverley D. Woodruff
Beverley D. Woodruff
Blount County Mayor

PJ

Phone. (865) 273-5700
email. bwoodruff@mail.blount.state.tn.us



CITY OF ALCOA

August 5, 2004

IRM Utility, Inc.
Scott Williams
6918 Yellow Oak Lane
Knoxville, TN 37931

Dear Sir:

Thank you for your inquiry as to the intentions of Alcoa Utility providing sanitary sewer to the Compass
Points Subdivision. - 2nd Lashbrook Subdivision.

This letter serves as notice to advise that the Alcoa has no plans to provide sewer service to this area.

Sincerely,



Mark Ross
Alcoa Utility

PHONE 800 4700 • FAX 904 4154

EXHIBIT

C

tabbles



P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890
Phone (Vol) 674-0828
Facsimile (Vol) 674-2352
Toll Free (877) 746-2910

This Agreement made and entered into this ____ day of _____, 2004, by and between IRM Utility, Inc., a Tennessee Corporation, hereinafter referred to as "Utility" and LASH BROOKE CORPORATION hereinafter referred to as "Developer"

For and in consideration of valuable consideration, the receipt of all which is acknowledged, the parties hereto enter into the following agreement:

TERMS

Particularly that the Utility will in the future be responsible for the repair, maintenance, and replacement of the sewage collection, treatment, and disposal system to be installed to serve this development and to maintain the total system, and other good, and the Developer shall install a sewage collection, treatment, and disposal system (hereinafter "System") to serve the LASH BROOKE Development, hereinafter referred to as the "Development", and shall do so in accordance with those drawings, plans, and specifications as approved by the Utility's engineers or representatives.

For Systems Not Built

The Developer shall provide a Performance Bond, Irrevocable Letter of Credit or appropriate surety for construction of the system. The surety shall be made in the name of the Utility. The amount will be ten% more than a reasonable responsible estimate.

The Developer shall, at its sole expense (including all fees and construction costs), perform all of the necessary work for the installation of said System in accordance with the drawings, plans, and specifications referred to hereinbefore.

D

Construction of the System shall be subject to the supervision and approval of the Utility's engineers and representatives, who shall have a right of inspection throughout the progress of the work. Developer agrees that it shall not backfill soils over or cover any pipe, fittings, or connections until first inspected and approved by the Utility.

If, prior to the actual installation of the facilities provided for in the plans and specifications, the Plat of the Subdivision shall be changed by mutual agreement of the parties hereto, then such changes shall be deemed incorporated in this contract as though set out herein. A copy of any such changed plans shall be attached to this agreement and made a part hereof.

~~THE NEXT PARAGRAPH IS ADDRESSED IN LETTER July 29, 2004~~

~~For services to be performed by Utility hereunder, the Developer hereby agrees to pay to the Utility a non-refundable amount equal to 10% of the actual costs of constructing the System (hereinafter the "Actual Compensation Amount"). Developer shall, upon execution of this contract, pay to Utility an amount which is equal to ten percent of the estimated construction cost of the System (hereinafter the "Estimated Compensation Amount"). Upon completion of construction of the System, Developer shall provide Utility with an itemized ledger and accounting of the actual costs to construct the System for purposes of calculation of the Actual Compensation Amount. In the event that the actual costs of construction of the System shall exceed the estimate then the Developer shall pay to the Utility the difference between the Estimated Compensation Amount and the Actual Compensation Amount.~~

EXHIBIT 1

The Utility will petition the Tennessee Regulatory Authority for a Certificate of Public Convenience and Necessity (CCN) for the Development. The funds paid to the Utility will be used at the discretion of the Utility to perform this function. The funds are non-refundable in the event the petition is not granted for any reason whatsoever. The Utility does not guarantee that a CCN will be granted for the Development. The Utility will be held harmless for any and all prior and future financial obligations the Developer incurs related to this Development.

The Developer shall have the duty to immediately repair, at its own cost and expense, all breaks, leaks, or defects in the System, of any type-whatsoever, which occur within one (1) year from the date the System is accepted by the Utility. In the event that Developer shall fail to make such immediate repairs then the Utility shall be authorized to make such repairs at the sole expense of the Developer.

For Completed Systems:

The Developer shall provide a set of as built plans with an operations manual certified by the consulting engineer that developed the plans assuring the system was built in accordance to said plans.

7

The Developer shall install service connections for all service sewers to the property line, common area, or easement of each lot or building site in said subdivision. Watertight tanks and service connection lines may be installed by builder or developer at their respective expense. The septic tank effluent pumping (STEP) system will be as approved by the Utility

The developer will facilitate and execute Restrictive Covenants and/or Bi-Laws (Bi-Laws) of the Development that provide or indicate a service agreement or contract between the owner and the Utility will be required by each homeowner to establish wastewater service, the Utility will charge an initial fee or tap fee and a monthly fee, the fee is to be determined and will be established by a proposal to the Tennessee Regulatory Authority (TRA), and a description of the Septic Tank Effluent Pumping system that is approved by the engineers of the Utility. It will be stipulated that only the approved system or equal that is approved by the Utility can be utilized

Upon the granting of the petition for the Certificate of Convenience and Necessity, the developer will turn over any POA monies that are collected for the purpose of operation of the wastewater system as spelled out in the initial Bi-Laws

Nothing herein contained shall abridge the Utility's right to extend this System as it deems appropriate.

The Developer hereby represents and warrants that all materials incorporated into the System, and all of its subcontractors, shall be paid for in full upon completion of the installation of the System and that no liens or encumbrances shall remain for the installation of said work

The Developer hereby represents and warrants that the System will be in conformance with the foregoing provisions, and the plans and specifications above mentioned, and that written easements will be provided five feet (5') in width on each side of the center line of all sewers installed hereunder, other than sewers along public right-of-way


It is agreed that the Utility shall have exclusive title and ownership of the System in the subdivision and the Developer shall convey to the Utility, free and clear of all encumbrances. The Developer shall, upon request of the Utility, execute and deliver a Deed of Conveyance of all said property, suitably acknowledged for registration.

I

There will be an addendum to this agreement based on the outcome of the TRA petition and the development of the Pro Forma required in the petition process

In Witness Whereof, the parties hereto have entered into this agreement as of the day and date first written above.

Utility – IRM Utility, Inc


Name/Title

July 26, 2004
Date

Developer

Name/Title

Date



P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890
Phone (Vol) 674-0828
Facsimile (Vol) 674-2352
Toll Free (877) 746-2910

Mr. Lee Sharp
The LashBrooke Corporation
117 Center Park Drive, Suite 260
Knoxville, TN 37922

July 20, 2004

RE: Wastewater System Management Proposal
3 Items of Concern
LashBrooke, Blount County

Dear Mr. Sharp,

As per our meeting last week, we have addressed the three items that you have concern with. Firstly, we are addressing our experience in the wastewater industry, secondly we are addressing the question of our obligation to not just up and walk away from the responsibility of providing service for your project and subsequently you having responsibility for the service to our customers, and lastly, why is there a 10% fee by the utility and can we adjust these values. Hopefully the following will answer the concerns and we can continue the relationship that I have had with members of your partnership for over 16 years.

Experience Our qualifications were thoroughly evaluated prior to the Tennessee Regulatory Authority (TRA) ordering that a Certificate of Public Convenience and Necessity (CCN) be granted to our privately owned public utility company. We have invested thousands of dollars to structure the company in a way that is compliant with the regulations and for the TRA to recognize that we are capable of providing wastewater service to our customers in a fair and competent means at a reasonable price for all concerned. Our principals have considerable experience in this industry. Williams and Associates is a family business that has been serving Knoxville for over forty eight years. They have serviced sewer work for West Knox Utilities and Hallsdale-Powell Utilities. They have prepared plans for hundreds of miles of sewer systems. Mr. Tom Petty is a Registered Professional Geologist, and Registered Environmental Health Specialist. He has been responsible for the on-site wastewater training programs for the State of Tennessee and has evaluated sites for on site systems for over twenty eight years. He is our technical director and maintains consistency in design, products, and permitting. Jeffrey Cox as a microbiologist and soil scientist has been preparing hydrogeologic evaluations and on-site system work for over 24 years. I have consulted on large systems for many subdivisions, nursing homes, motels, and thousands of residential properties. I have also built the first recirculating sand system managed by a privately owned utility in East Tennessee. My work was instrumental in the permitting of the first recycling technology where the wastewater was recycled to the toilets for reuse. Our client base is growing steadily due to the fact that we work with the developers and clients in mind and do not dictate our client's providence. The confidence the TRA has with our company is reassuring to our clients.

Obligation We are pleased to offer our utility services to our clients. We have worked diligently to gain the CCN that we have. Personally and individually, we have every desire to operate the utility as a long term business for us and our families. According to Public Chapter 65-4-114, we accepted an "Obligation to Serve". By law we are required to follow the regulations. Sections 113, 114, and 115 are some highlights that address your concerns. We at IRM Utility, Inc. will adhere to the rules and regulations. These sections are included on the next page.

Exhibit 1

July 20, 2004

65-4-113. Transfer of authority to provide utility services. — (a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

(c) Following approval of the transfer pursuant to this section, the transferee shall be granted full authority to provide the transferred services subject to the continuing regulation of the authority. The transferor shall no longer have any authority to provide the transferred services, but shall retain authority to provide other services, if any are retained, which were not included in such transfer.

(d) This section shall not apply to any transfers falling under the provisions of § 65-4-112. This section shall apply to all other utility service transfers, including, but not limited to, the transfer of the authority to provide communications services held by a land line telephone company pursuant to § 65-30-105(h).

(e) To the extent transferees receiving authority under this section would be prohibited from performing the service by the provisions of § 65-30-104, § 65-30-105(a), or § 65-30-105(f)(2), those sections are declared inapplicable [Acts 1993, ch. 23, § 1, 1994, ch. 545, § 1; 1995, ch. 305, § 20].

65-4-114. Service requirements. — The authority has the power, after hearing, upon notice, by order in writing, to require every public utility, as defined in § 65-4-101, to:

(1) Furnish safe, adequate, and proper service and to keep and maintain its property and equipment in such condition as to enable it to do so; and

(2) Establish, construct, maintain, and operate any reasonable extension of its existing facilities where, in the judgment of the authority, such extension is reasonable and practicable, and will furnish sufficient business to justify the construction, operation, and maintenance of the same, and when the financial condition of the public utility affected reasonably warrants the original expenditure required in making such extension, or to abandon any service when, in the judgment of the authority, the public welfare no longer requires the same [Acts 1919, ch. 49, § 5, Shan. Supp., § 3059a88; Code 1932, § 5451; T.C.A. (orig. ed.), § 65-414; Acts 1993, ch. 23, § 1, T.C.A., § 65-4-113; Acts 1995, ch. 305, § 20].

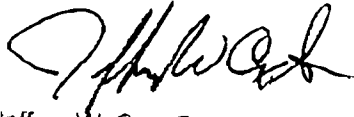
65-4-115. Unjust practices and unsafe services prohibited. — No public utility shall adopt, maintain, or enforce any regulation, practice, or measurement which is unjust, unreasonable, unduly preferential or discriminatory, nor shall any public utility provide or maintain any service that is unsafe, improper, or inadequate, or withhold or refuse any service which can reasonably be demanded and furnished when ordered by the authority. [Acts 1919, ch. 49, § 6; Shan. Supp., § 3059a89; Code 1932, § 5452; T.C.A. (orig. ed.), § 65-422; Acts 1993, ch. 23, § 1; T.C.A., § 65-4-114; Acts 1995, ch. 305, § 20.]

July 20, 2004

Utility Fees: Lastly, the cost of the utility company to serve your project is expensive to initiate sometimes. Typically the cost for requesting a CCN to include your project and inspections are 10% of the estimated cost of the system. The expenses are accounting, attorneys, data request responses, hearing proceedings and testimony, inspection and monitoring the system installation, and expenses with regard to the take over of the wastewater system. We will offer at this time to prepare this as a pass through cost by billing you only for the necessary fees we encounter in the preparation for your project. If you wish, a flat fee of \$10,000.²⁰ can be proposed, it is your choice.

Thank you for the opportunity for providing wastewater service for your subdivision. We look forward to working with you on this project.

Respectfully submitted,



Jeffrey W. Cox, Sr.
President, **IRM** Utility, Inc